

TEACHERS' RETIREMENT BOARD
BENEFITS AND SERVICES COMMITTEE

SUBJECT: Level of Service Standards

ITEM NUMBER: 6

ATTACHMENT: 1

ACTION:

DATE OF MEETING: May 2, 2002

INFORMATION: X

PRESENTER(S): Michael Carter

EXECUTIVE SUMMARY

The Level of Service report provides the Benefits and Services Committee with the necessary information to fulfill its oversight responsibility regarding the delivery of benefits and services to CalSTRS members. The following reports for the month of March 2002.

I. Overview

A. CalSTRS paid a total of 173,539 benefit recipients \$348,287,202 in March 2002. The average monthly allowance roll for FY 2001/02 is \$344,496,096. Total disbursements for FY 2001/02 are \$3,100,46,496.

In addition, the approximate 90,000 estimates sent to members age 50 and over appears to have been a success. Very few calls were received from our members concerning technical matters and a brief follow-up survey is planned to confirm how our members received this first-time product. Following is a letter from a member kind enough to share their experience with CalSTRS.

*08 April 02
STRS*

Excellent! The "Your Defined Benefit Program Service Retirement Estimate" is a truly excellent document which will help lots of teachers to think ahead. The document could be improved by taking into account unused sick leave, or if it would be too complicated to get this information, at least mentioning it. Congratulations on a fine publication.

*David Fenly Clark, Teacher
Gilroy Unified School District*

B. Service Levels:

1. **Service Retirements** – Ninety-nine percent of initial payments are being processed within 30 days, resulting in no disruption of cash flow for CalSTRS members. Regarding Finalizations, the 90 percent goal to finalize payments in four months is still expected to be achieved in a few months.
2. **Disability** – These benefits continue to be processed within Board established standards (98 percent of applications processed within the established timeframe and 100 percent of payments made within the 30 days).
3. **Survivor Benefits** – This program was most significantly impacted by conversion and resulted in an approximate 2,000 case backlog due to the inability to process cases (except manual payments for emergencies). Overtime continues to speed the elimination of the backlog. For April 2002, one mandatory Saturday will be worked and two voluntary Saturdays will be offered to staff. Although a challenge, staff continue to expect to achieve a “flow basis” status for processing applications by the end of this fiscal year.
4. **Telephone Center** – In March, the Public Service Office became fully staffed. Five newly-trained customer service representatives began regular phone schedules mid-month and service levels continue to increase accordingly. “Calls answered in 3 minutes” increased from 54 percent in February to 76 percent in March, and the average number of calls handled by customer service representatives increased from 748/day to 764/day. This number does not show a more significant increase due to the addition of staff during mid-month. In addition, busy messages dropped from 3,310/day to 2,518/day.

Staff expects these trends to continue into April. As of April 15, 2002, “calls answered in 3 minutes” stood at 83 percent for the month. Four more customer service representatives began phone schedules further increasing capacity to meet our members’ needs. With a full complement of staff trained and handling a regular phone schedule, the queue size was doubled on April 16 from five to ten. This change should significantly decrease the members’ frustration with busy messages and will be closely monitored for the desired results.

5. **Counseling Interviews** – Staff continue to monitor the high demand for counseling services and are deploying group workshops as the primary solution to meet this demand.
6. **Billing Services:** The Billing Services Unit is also fully staffed and balancing a 2-hour daily phone schedule with calculating and creating member service credit purchase billings. The Unit received 462 billings in March and completed 631, reducing the backlog from 3,919 to 3,750. Staff continued working overtime

several Saturdays per month pulling in borrowed staff from other units trained in billing calculations.

7. **Interest Payments:** None were made for Disability benefits. Service Retirements paid \$119 for 7 applications. Survivor Benefits paid \$7,729 for reported deaths. This is in comparison to a total of \$12,044 paid for 183 cases in December 2001. This increase is directly attributable to the backlog of Survivor Benefit cases

II. Individual Program Reports: Pages 1-7

III. Miscellaneous Items: Pages 8 – 9

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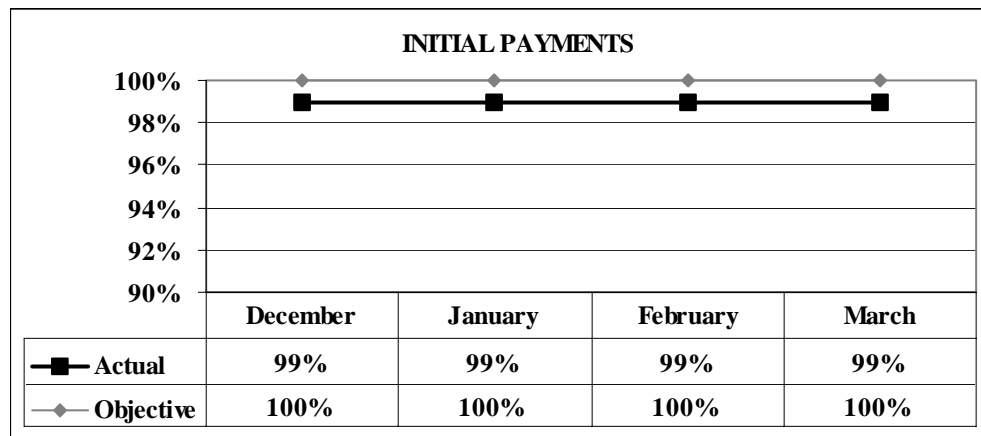
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Service Retirements

Objective Process 100 percent of all service retirement application payments within 30 days of the retirement effective date or receipt of completed application, whichever is later.

Application Volume Change Plus 18 percent in comparison to same period last fiscal year.

Baseline FY 1998/99 actual: 99 percent



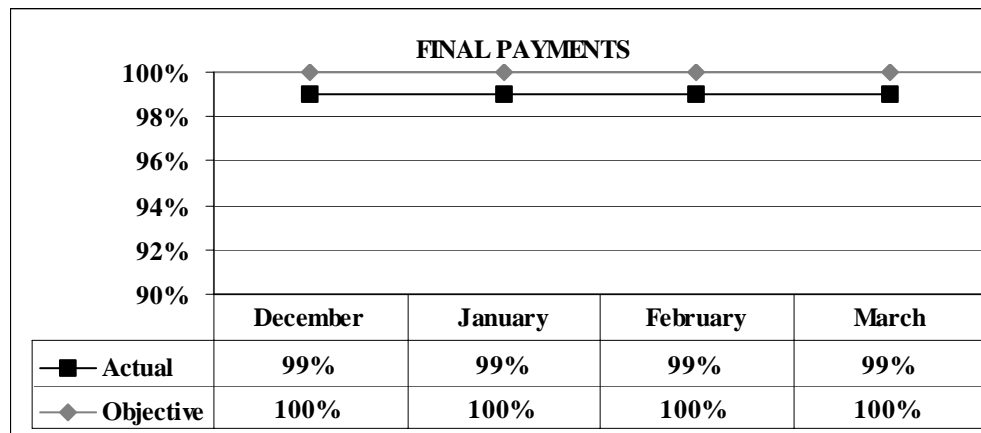
Year to Date Average: 99%

Objective Process 100 percent of all final service retirement payments within 45 days of receipt of all necessary information.

Interest Payments March 2002: 7 payments/\$119

Current Year Cumulative:
130 payments/\$3,510
Current Year Monthly Average:
14.4 payments/\$390
Prior Year Monthly Average:
30 payments/\$238

Baseline FY 1998/99 actual: 98 percent



Year to Date Average 99%

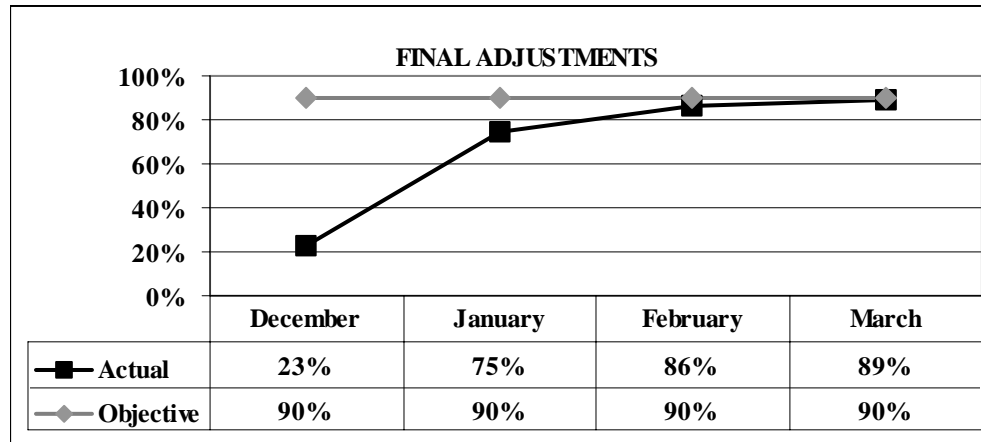
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Service Retirements

Objective Finalize 90 percent of all payments within four months of the retirement effective date.



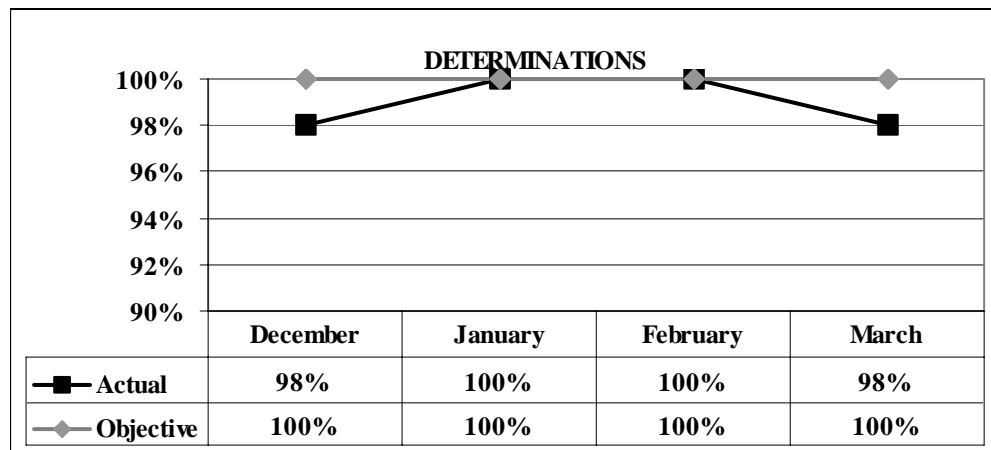
Baseline FY 1998/99 actual: 91 percent

Year to Date Average: 42%

Disability

Objective Process 100 percent of all eligible applications within 180 days of receipt.

Application Volume Change Plus 7 percent in comparison to same period last fiscal year.



Baseline FY 1998/99 actual: 99 percent

Year to Date Average: 99%

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Disability

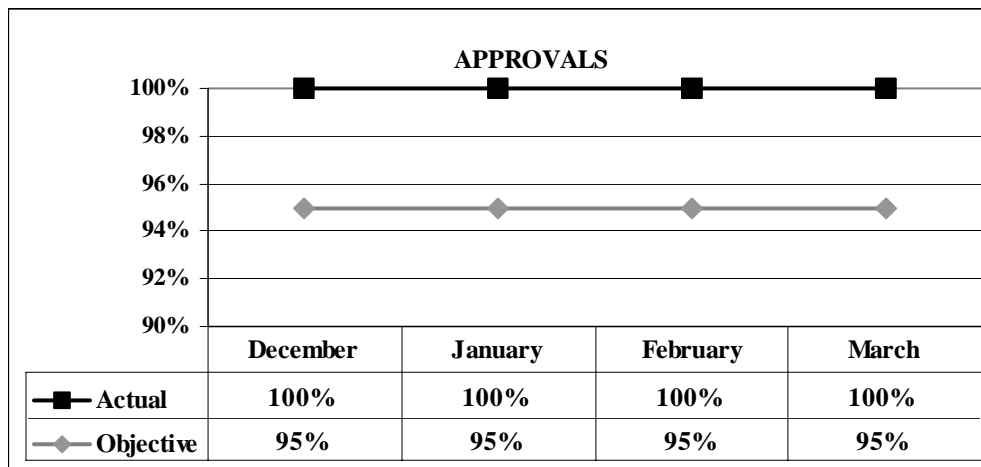
Objective Process 95 percent of all approvals within 30 days of receipt of all necessary information.

Interest Payments March 2002: None

Current Year Cumulative:
None

Current Year Monthly Average:
None

Prior Year Monthly Average:
None



Baseline FY 1998/99 actual: 100 percent

Year to Date Average: 100%

Survivor Benefits

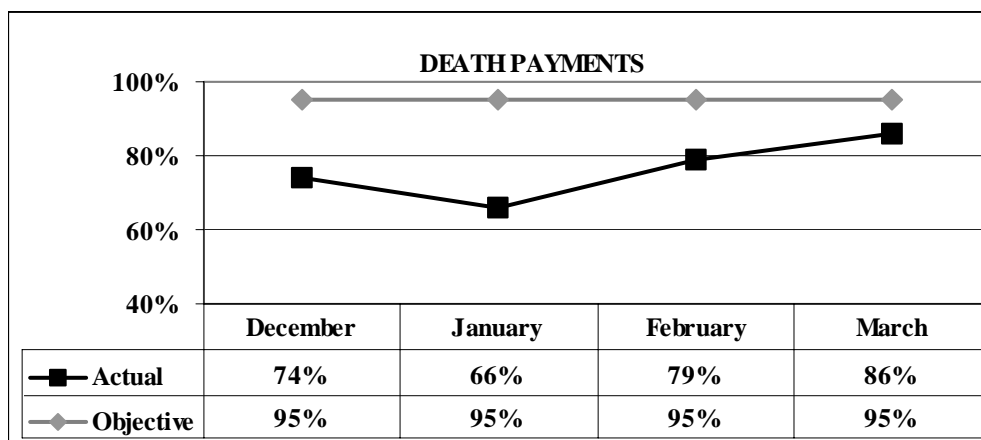
Objective Process 95 percent of all applications within 30 days of receipt of all necessary information.

Interest Payments March 2002: 135 Payments/\$7,729

Current Year Cumulative:
1,730 payments/\$114,835

Current Year Monthly Average:
192 payments/\$12,759

Prior Year Monthly Average:
20 payments/\$610



Baseline FY 1998/99 actual: 97 percent

Year to Date Average: 67%

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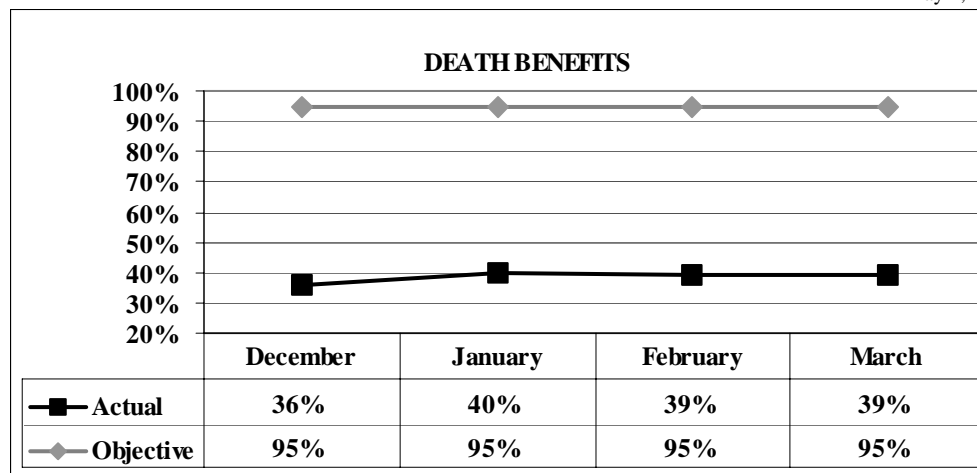
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Survivor Benefits

Objective

Complete 95 percent of all payments for retired members within 90 days of receipt of notification of death.



Baseline FY 1998/99 actual: 93 percent

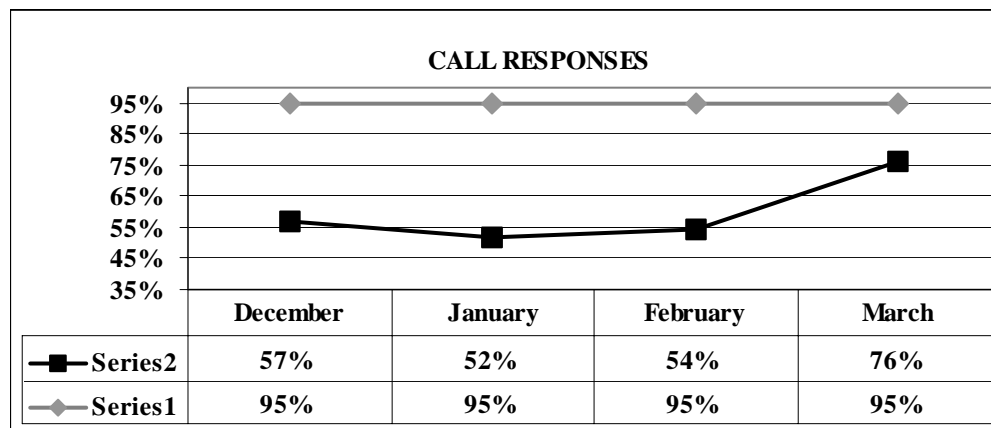
Year to Date Average: 40%

Public Service

Objective Answer 95 percent of all calls in less than three minutes.

Volume Change 10.84 percent increase

Notes Average queue time: 86 seconds
Longest queue wait: 24 minutes



Baseline FY 1998/99 actual: 94 percent
FY 1996/97 Objective:

Year to Date Average: 54%

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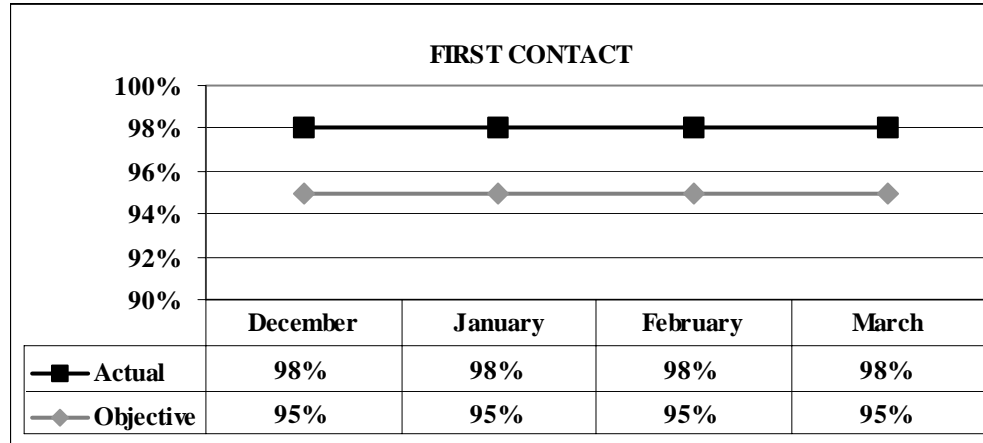
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75 percent in less than three minutes.

Public Service

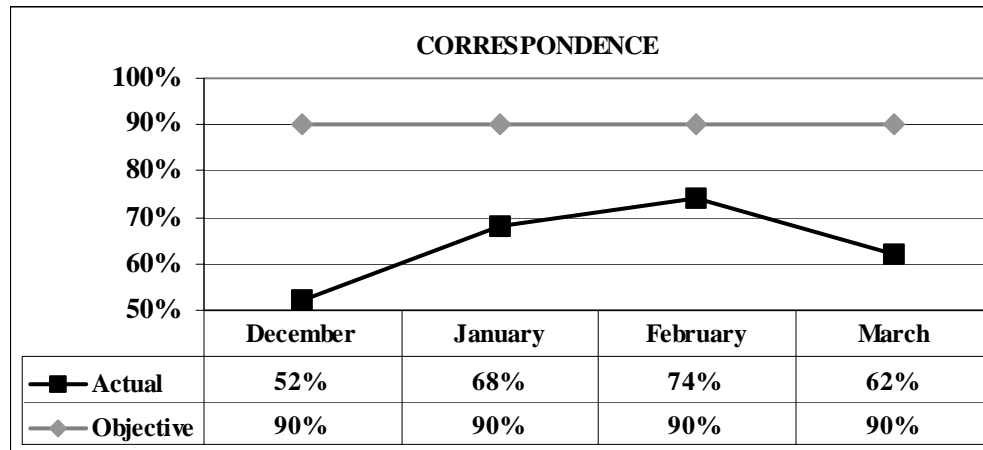
Objective Answer 95 percent of all calls on the first contact.



Baseline FY 1998/99 actual: 98 percent

Year to Date Average: 97%

Objective Respond to 90 percent of all correspondence in ten working days.



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Year to Date Average: 63%

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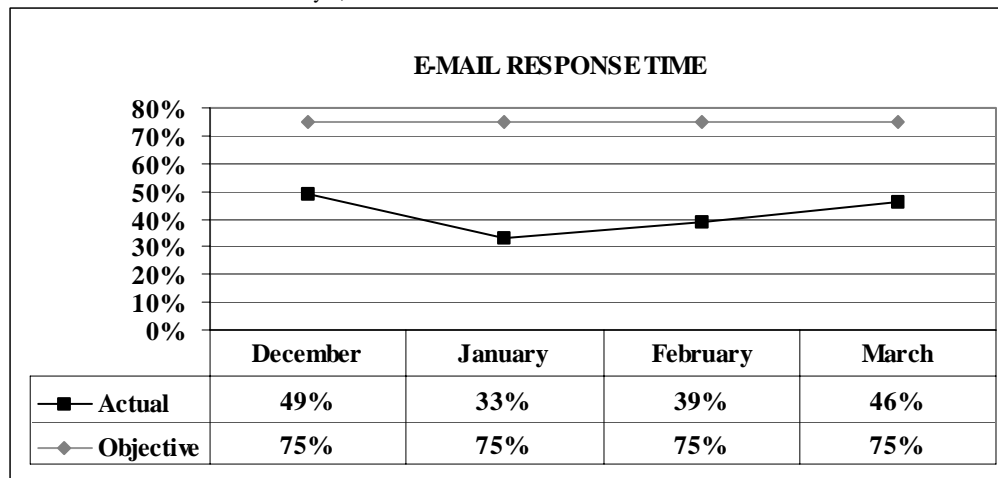
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Baseline FY 1998/99 actual: 94 percent

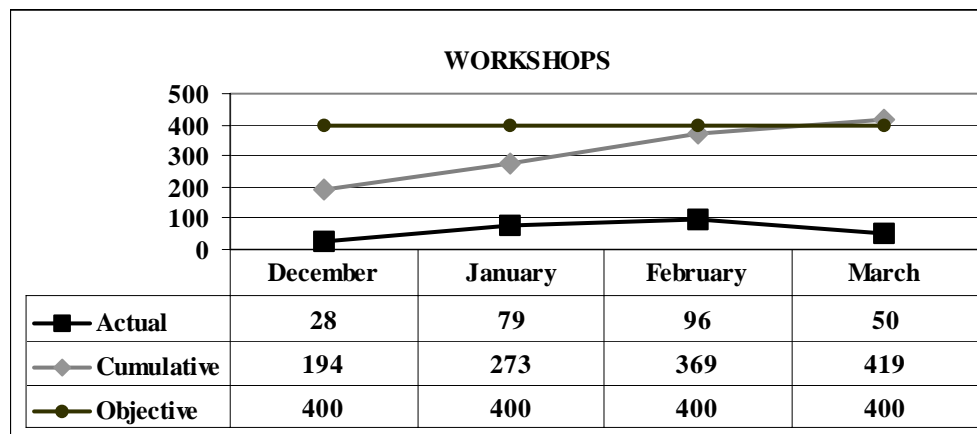
Objective Respond to 75% of e-mails within three working days



Year to Date Average: 33%

Regional Counseling Services

Objective Conduct 400 workshops



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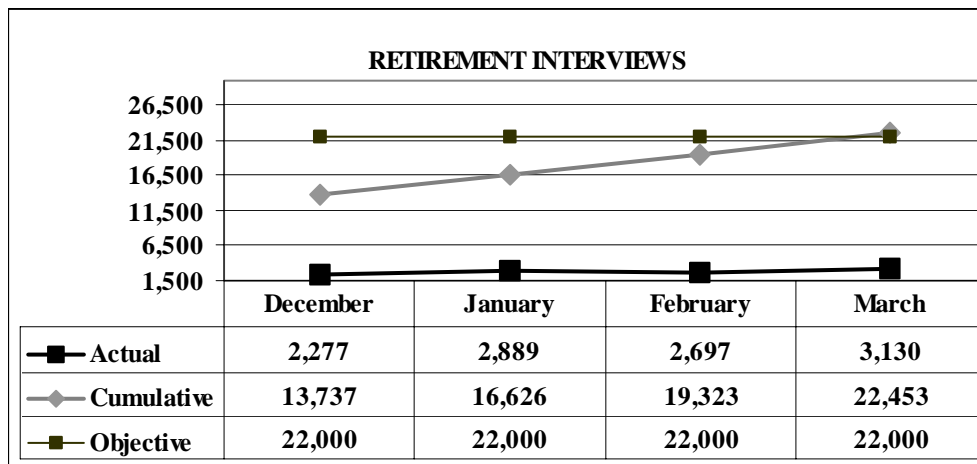
Baseline FY 1998/99 actual: 491

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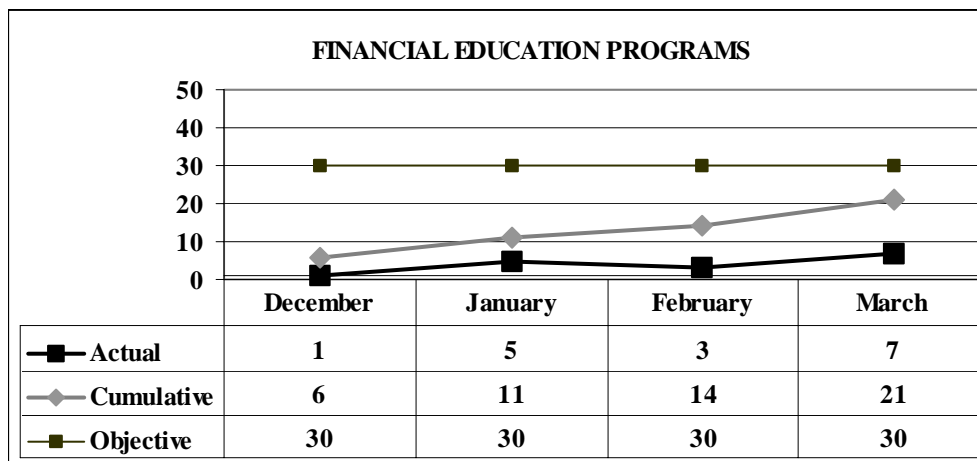
Regional Counseling Services

Objective Provide 22,000 retirement interviews.



Baseline FY 1998/99 actual: 24,657

Objective Deliver 41 Financial Education Program to CalSTRS members.



Baseline FY 1998/99 actual: 32

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III. Miscellaneous

A. Outstanding Survivor Benefit Cases:

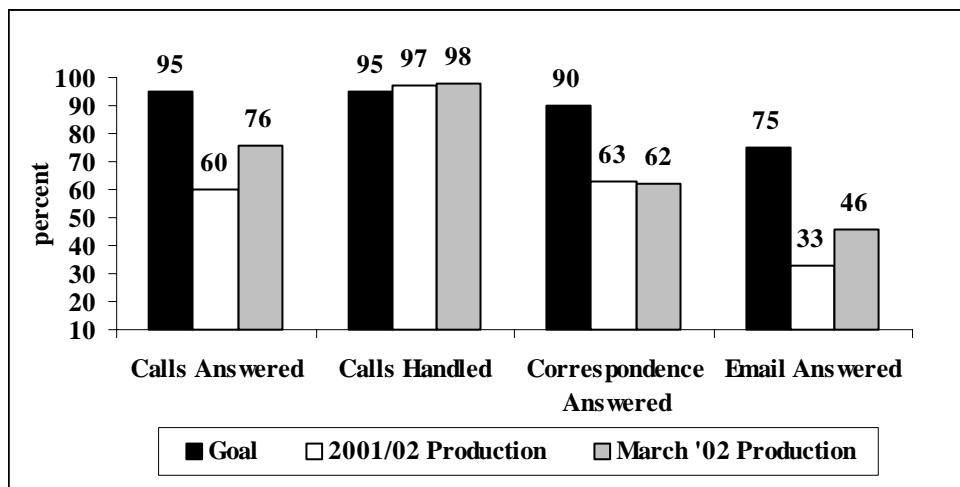
The Education Code requires a report to the Board on outstanding Survivor Benefit cases not paid within six months of the notification of death. As of March there were 584 exceeding this threshold. In February 2002, there were 858 cases beyond the six-month processing period, while in January there were 1,280 cases exceeding the six-month threshold.

B. One-Year Final Compensation: During the current fiscal year, no school districts have chosen to participate in this program.

C. Golden Handshake:

March - 2001 29 districts / 159 participants
March - 2002 26 districts / 69 participants

D. Telephone Center:



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D. Telephone Center: (continued)

